

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF KENTUCKY-)
OHIO GAS COMPANY) CASE NO. 91-138-P

ORDER

On December 18, 1991, the Commission issued its Order in Case No. 91-138 approving certain adjustments in rates for Kentucky-Ohio Gas Company ("KOG") and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 13, 2000, KOG filed an interim gas cost adjustment ("GCA") to be effective November 13, 2000. In support of its interim filing to pass along a significant increase in wholesale gas cost, KOG stated that it had experienced a dramatic rise in its natural gas commodity price.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. KOG's notice of October 13, 2000 proposed revised rates to pass on its expected increase in gas costs to its customers. KOG's proposed expected gas cost ("EGC") is \$5.3631. KOG calculated its EGC on Schedule I correctly, however, the EGC was not correctly carried forward into the calculation for the total GCA. Making

this correction produces an EGC of \$5.3137, \$2.6649 per Mcf more than the previously approved EGC of \$2.6488.

2. KOG's notice set out no supplier refund adjustment.
3. KOG's notice proposed no current quarter actual adjustment ("AA").
4. KOG's corrected gas cost recovery rate is \$6.2314 per Mcf, \$2.6649 per Mcf more than the previously approved rate of \$3.5665.
5. KOG's corrected adjustment in rates is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after November 13, 2000.

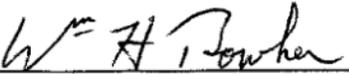
IT IS THEREFORE ORDERED that:

1. The rates proposed by KOG are denied.
2. The rates in the Appendix are fair, just, and reasonable and are approved effective for final meter readings on and after November 13, 2000.
3. Within 30 days of the date of this Order, KOG shall file with the Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 13th day of November, 2000.

By the Commission

ATTEST:

Deputy 
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-138-P DATED NOVEMBER 13, 2000

The following rates and charges are prescribed for the customers in the area served by Kentucky-Ohio Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$6.2314	\$10.4714

Minimum Bill

The minimum bill shall be \$10.47